

# Appendix A: County & City Revenues

## Takoma Park City Revenues for Fiscal Year 2005

According to the approved fiscal year 2005 budget, the Takoma Park City Government raises \$14,215,597 in general fund revenues. When the appropriated surplus is included, the general fund amounts to \$15,383,186. The property tax on real property in the City is by far the largest single source of City revenues, raising \$6.8 million and representing 44 percent of the fiscal year 2005 general fund. When taxes on business property, public utilities, and other property tax related revenues are included the share increases to 48 percent. The Takoma Park real property tax rate is \$0.66 per \$100 in assessed value.

The next most significant revenue source, representing about 26 percent of fiscal year 2005 general fund, is money passed down from other levels of government, such as the county and state governments. The City receives about \$4 million from these sources, the largest portion coming from County rebates that total about \$3.1 million or 17 percent of the general fund. The County also provides about \$190,000 in non-duplicated payments, such as additional money for police services, library aid, and payments for operating programs out of the Takoma Park Recreation Center on New Hampshire Avenue. The total County contribution to the City's general fund is about \$3.3 million. Other intergovernmental sources include state funding for police services and roads.

A distant third major source of City revenues is a share of the "piggyback" local income taxes, passed back from the County. Maryland residents pay local income taxes to the State, which distributes them back to the counties. According to state law, the City gets 17 percent of the local income taxes paid by Takoma Park residents through the State. The County keeps 83 percent of these taxes. The City receives \$1.4 million, less than 10 percent of its general fund.

Charges, fees, licenses, permits, and other miscellaneous revenues bring in about \$1.2 million or about 8 percent of the general fund. The remaining 8 percent in FY 2005 is drawn from the accumulated surplus funds from previous years and investment income.

Two additional sources of funds, which are not counted as revenues, are the proceeds from city bonds (borrowing) and appropriated surpluses (drawing from reserves). In the FY05 budget the appropriated surplus was \$1,167,589, which represents 7.6 percent of the general funds. City bonds vary in size and can bring in substantial resources that are paid off as debt service in successive years. Debt service in FY05 in the City budget was \$312,735, or two percent of the general fund.

Details on City revenues are shown in Table 13 below. Special funds are not included in these percentages. The City receives an additional \$1 million of "Special Revenue Funds," which are from the federal, state and county governments and dedicated to specified programs, primarily police, community development, and parks. The City also collects about \$234,000 from storm water management fees. This is a \$28.68 fee to each single-family household, and a proportionate rate for

commercial and institutional properties based on the size of the property. These fees are dedicated to maintaining the City's storm water drainage system.

**Table 13: FY05 Takoma Park General Fund Revenue Details**

Revenue Source	Revenues	% of Total	Comments
<b>Property and Related Taxes</b>	<b>\$7,394,098</b>	<b>48.1</b>	
Property Tax	\$6,814,293	44.3	Takoma Park rate is \$0.66 per \$100 assessed value.
Personal Property Tax	\$380,000	2.5	City personal property tax rate (business) is \$1.65 per \$100 assessed value.
Railroad and Public Utilities	\$167,805	1.1	Property taxes on public utilities.
Penalty and Interest	\$32,000	0.2	
<b>Intergovernmental</b>	<b>\$4,033,135</b>	<b>26.2</b>	
County Rebates	\$2,595,057	16.9	Includes police, roads, parks and crossing guards.
Police Rebate	\$495,585	3.2	This is passed back from the County at \$0.048 per \$100 assessed value.
Library Aid	\$89,674	0.6	From County NOT a rebate.
Highway User Fees	\$355,786	2.3	From the State Highway Trust Fund, distributed by formula.
State Grant Police Protection	\$388,375	2.5	State formula grant based on City police expenditures.
SCCP Grant	\$3,015	0.0	County police grant to recreation program for after school programs, etc.
Bank Share Tax	\$5,643	0.0	From State to compensate for a tax no longer permitted on banks and finance corporations.
Takoma Langley Rec Agreement	\$100,000	0.7	From County to pay for programs run at Takoma Langley Recreation Center.
<b>Income Tax</b>	<b>\$1,481,000</b>	<b>9.6</b>	Takoma Park gets a pass back of 17% of Takoma Park Residents local income tax payments from the County.
<b>Charges, Fees, and Others</b>	<b>\$1,187,364</b>	<b>7.7</b>	
Licenses and permits	\$46,000	0.3	City and County both issue residential parking permits. See schedule.
Charges for Services	\$684,000	4.4	
Fines and Forfeitures	\$162,500	1.1	\$150,000 is from parking and traffic violations. The rest from drug forfeitures, other city violations, and admin cost.
Miscellaneous	\$39,333	0.3	
Sale of Impounded Property	\$2,000	0.0	TP is sale of impounded property
Cable Franchise Fees	\$117,220	0.8	City charges %5 franchise fee to cable companies.
Other Cable Related Revenue	\$57,711	0.4	TP amount is fee based on franchise agreement and agreement with the County
Payment in Lieu of Taxes	\$25,500	0.2	
Hotel Motel Tax	\$53,000	0.3	
Admissions Tax	\$100	0.0	
<b>Investment</b>	<b>\$120,000</b>	<b>0.8</b>	
<b>Appropriated Surplus</b>	<b>\$1,167,589</b>	<b>7.6</b>	
<b>Total General Fund Revenues</b>	<b>\$15,383,186</b>	<b>100</b>	
*Appropriated Surplus is a draw from the City's financial reserves accumulated from previous years, and does not represent new revenue. Total General Fund Revenue without this draw is \$14,215,597. Source: Takoma Park Approved FY 2005 budget.			

## County Revenues for Fiscal Year 2005

The largest revenue source for the County's general fund is the local income tax, which in FY 2005 accounts for \$893 million or 41 percent of the general fund. The County sets the local income tax rate at 3.2 percent. The next largest source is the County wide general property tax which, including business property and other related revenues, accounts for \$791 million or about 36 percent of the general fund. The county-wide property tax rate on real property is \$0.734 per \$100 in assessed value.

The County also raises about 15 percent of its general fund revenues from other taxes such as the Real Property Transfer Tax and the Recordation taxes, which are paid when real property is sold or refinanced. Surcharge taxes also apply to energy and telephone use, which County residents generally pay in their phone and utility bills, and when they purchase gasoline. There is also a 7 percent tax hotel/motel tax, and a tax on gross receipts on admissions to events such as movies and concerts. Only 6 percent of the County's general fund is passed down from the state or federal government. The remaining 3 percent of the general fund is from fees, permits, and other miscellaneous revenue sources.

Details on County General fund revenues are in the table below. In addition to the general fund, the County has special funds to finance the public schools, Montgomery College, the Maryland National Capital Park and Planning Commission. Revenues going directly to these funds are primarily from special area taxes, intergovernmental grants, and charges for services. Special area taxes vary within the county.

**Table 14: FY05 Montgomery County General Fund Revenue**

Revenue Source	Revenues	%	Comments
<b>County Wide Property Taxes</b>	<b>\$790,645,120</b>	<b>36.3</b>	Countywide rate is \$0.0737 per \$100 assessed value, also includes taxes on business property.
<b>Income Tax</b>	<b>\$892,970,000</b>	<b>41.0</b>	County rate of 3.2% is collected by the State with State taxes.
<b>Other Taxes</b>	<b>318,874,760</b>	<b>14.6</b>	
Real Property Transfer Tax	\$93,980,000	4.3	Paid when real property is sold or transferred.
Recordation Tax	\$60,090,000	2.8	Paid when real property is sold, transferred, or altered.
Energy Tax	\$115,494,760	44.3	Excise tax shows up in utility bills and at the gas pump. Amount depends upon fuel type.
Telephone Tax	\$32,350,000	2.5	Shows up in phone bill: \$2 per line per month.
Hotel Motel Tax	\$13,960,000	1.1	Visitors pay 7% of room rate.
Admissions Tax	\$3,270,000	0.2	Entertainment admissions tax, such as moves and concert tickets.
<b>Intergovernmental</b>	<b>\$126,018,370</b>	<b>5.8</b>	
<b>Fees and Miscellaneous</b>	<b>\$47,553,140</b>	<b>2.2</b>	
Licenses and permits	\$9,239,090	0.4	
Charges for Services	\$15,382,920	0.7	
Fines and Forfeitures	\$14,335,520	0.7	
Miscellaneous	\$8,595,610	0.4	
<b>Investment</b>	<b>\$3,582,820</b>	<b>0.2</b>	
<b>Total General Fund Revenues</b>	<b>\$2,179,644,210</b>	<b>100</b>	
Source: Montgomery County Approved FY 2005 operating Budget.			